



GARY R. HERBERT
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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 5, 2012

Certified Return Receipt
7011 0110 0001 3568 0482

Mike Dalley
Staker and Parson Companies
89 West 13490 South
Draper, Utah 84020-7209

Subject: Acceptance of Reclamation Surety Amount, Staker and Parson Companies, Keigley Quarry, M/049/0001, Utah County, Utah

Dear Mr. Dalley:

On August 16, 2012, you provided the Division with a reclamation cost estimate for the Keigley Quarry. The Division of Oil, Gas and Mining has completed a review of this calculation and worksheets and will accept it as an interim amount. The Division currently holds a reclamation surety in the amount of \$850,000.00 and in the form of a surety bond from Fidelity and Deposit Company of Maryland. Please provide additional surety in the amount of \$552,000.00 to bring the total to match the cost estimate of \$1,402,000.00. This can be done by providing a rider to the current surety, or providing an additional surety instrument. Please contact Penny Berry, bonding coordinator, by e mail at pennyberry@utah.gov, or by telephone at 801-538-5291 to obtain the proper forms. The Reclamation Contract for this project will also need to be amended. Penny can assist you with this also. Please provide the increased surety amount by January 18, 2013.

The Notice of Intention to Commence Large Mining Operations (Notice) for the Keigley quarry was originally approved in 1989. The quality of this Notice is such that it was difficult to verify volumes, areas, etc., during the review of the surety calculations, and it does not appear the Notice accurately reflects current operations.



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The Division, therefore, asks that you amend the Notice to reflect current operations by Staker and Parson Companies, and provide a complete copy for the Division to review by June 10, 2013. When the Notice is considered complete and comprehensive, the Division will again review the reclamation cost estimate and adjust the amount (up or down) as appropriate.

Since this is already an approved Large Mining Operation, the Division will handle resubmitted NOI as an amendment, not subject to publishing for public comment.

Please don't hesitate to call Lynn Kunzler at 801-538-5310 or me at 801-538-5261 if you have questions or concerns regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBBM', written over a horizontal line.

Paul B. Baker
Minerals Program Manager